

# Health Matters

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A NEWSLETTER CONCERNING COVERAGE AND BENEFITS

Second Quarter 2013

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## **What Do We Know In Terms of Health Care Reform??**

There continue to be more questions than answers as to how the Affordable Care Act will be implemented. There are a few things that we do know. Beginning on January 1, 2014, individuals and employees of small businesses will have access to coverage through a health insurance marketplace. The term "Marketplace" replaces the term in the law, "Exchanges". Whatever the term, individuals will be able to go on line and compare health insurance options through the marketplace. Open enrollment for health insurance coverage through the Marketplace will begin on October 1, 2013.

In 2014 there will no longer be any exclusion for individuals with preexisting conditions. The only rating factors allowed will be age, smoking status and geographic location. Minimum Essential Coverage (MEC) needs to be offered by all employers with 50 plus full time employees. Full time equivalents (FTE's) are counted in with the full time employees. Employers who do not offer MEC could be subject to financial penalties. In addition, the coverage offered needs to be affordable to the employee and provide at least minimum value. Minimum value basically means that the health insurance plan must pay for 60% or more of the medical costs.

There will be Metallic levels of coverage offered. These levels vary

based on the coinsurance that the plan covers. Bronze is roughly 60%, Silver-70%, Gold - 80%, Platinum - 90%.

A full time employee will be considered anyone working 30 hours or more. A waiting period, which is the time an employee has to wait until health benefits start, cannot be any longer than 90 days.

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## **Does My Business Have to Provide Health Insurance to My Employees?**

The Employer Pay or Play Mandate specifies that employers with 50 or more full time equivalents (FTE) must provide affordable coverage. Affordable means that the employee's annual premium for self-only coverage must not exceed 9.5% of the household income. Full time employees are considered working 30 or more hours per week. There will be penalties assessed if no coverage is offered as well as if coverage is offered, but it is unaffordable or does not meet "minimum value"

A resource for businesses to consult regarding health reform provisions is the Small Business Administration. Their website breaks down this law by size of businesses. Please check out the article, Questions About Health Reforms? Ask the SBA You can find this article at:

<http://www.entrepreneur.com/article/226450>

### What Is The Individual Mandate?

US citizens and legal residents, for the most part, are going to be required to have health coverage. Those who do not have qualifying coverage will be assessed a tax penalty which will start in 2014. In 2014, the charge will be \$95 per adult and \$47.50 per child, or 1 percent of family income, whichever is greater. In 2015 the penalty will increase to \$325 per adult and \$162.50 per child or 2 percent of family income, whichever is greater. Starting in 2016, the penalty will go to \$695 per adult and \$347.50 per child, or 2.5 percent of family income, whichever is greater. After 2016, penalty amounts will increase by the cost of living on an annual basis.

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### Customer's Rewards

This is a program that I was able to become associated with in order to provide my clients savings on dental, vision and other services. This is NOT INSURANCE - It is a discount plan that allows you to have significant savings if your provider participates in this plan. I am offering this valuable savings program to my customers to show my appreciation for your business and your confidence in me.

This will cover the entire family. There are no preexisting limitations and no maximum coverage amounts. I actually purchased this for my family and have been very pleased with the savings.

I am now able to offer this to all of you at a small annual activation cost of \$29 per family. I know some of you may have purchased this in the past at a much higher rate. Upon your renewal, please call me so we can change it to the new rate of \$29 annually.

To learn more about this program, please visit my website, [www.bluepeakinsurance.com](http://www.bluepeakinsurance.com) Go to the Customer Rewards logo at the bottom of the menu. You can check to see if your provider participates in the program and there is an enrollment form that you can download and get back to me. As always, feel free to call me with any questions.

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